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**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce Department – Operational Guidelines for Andhra Pradesh Industrial Development Policy 2023-27 – Amendment – Orders – Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.28

Dt: 11.03.2024

Read the following:-

1. G.O.Ms.No.22, Ind. & Com. (P&I) Deptt., Dt:19.03.2023
2. G.O.Ms.No.68, Ind. & Com. (P&I) Deptt., Dt:24.07.2023.
3. E-file No.INC02-17025/35/2023-I&I-I DOI, Computer No: 2116374.

ORDER:

In the reference 1st read above, Government have introduced the Andhra Pradesh Industrial Development Policy (APIDP)-2023-27, which is applicable across sectors including Textiles. The Policy shall be in force for a period of four years starting from 1st April 2023 to till March 2027.

2. In the reference 2nd cited, Government have also issued Operational Guidelines for implementation of Andhra Pradesh Industrial Development Policy, 2023-27 for General and SC/ST Category Entrepreneurs.

3. In the reference 3rd cited, the Commissioner of Industries, Mangalagiri has informed that there is need for amendments in policy to overcome various problems and requested for the amendments to the Operational Guidelines of APIDP 2023-27 under Module-I for General/BC/Minority Entrepreneurs and Module-2 for SC/ST Entrepreneurs for Sanction & Disbursement of Incentives.

4. Government after careful examination of the proposal of the Commissioner of Industries, hereby amend the Operational Guidelines of APIDP 2023-27 under Module-I for General/BC/Minority Entrepreneurs and Module-2 for SC/ST Entrepreneurs for Sanction & Disbursement of Incentives. The Amendments to the Operational Guidelines of APIDP 2023-27 is appended as Annexure.

5. The Commissioner of Industries, Mangalagiri shall take necessary action accordingly in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**N YUVARAJ
SECRETARY TO GOVERNMENT & CIP**

To

The Commissioner of Industries, Mangalagiri.

The Vice Chairman & Managing Director, APIIC, Mangalagiri.

The VC & Managing Director, APIDC, Parisrama Bhavan, /-9-/8/B, Fateh Maidan Road, Hyderabad - 500 004.

The Managing Director, Andhra Pradesh State Finance Corporation, Vijayawada.
The Commissioner, Handlooms & Textiles, Mangalagiri.

Copy to:

The Finance (Expr., Inds & Com.) Department.
The Revenue (CT/LA/Registration) Department.
The Water Resources (Reforms) Department
The Energy Department.
The LET & F (Employment) Department
The Environment, Forest, Science & Technology Department
The Municipal Administration and Urban Development Department
The Transport, Road & Buildings Department
The Law Department
The Social Welfare Department
The Tribal Welfare Department
The Y.A. & T.C. Department
The Accountant General, Andhra Pradesh, Vijayawada.
The Convener, State Level Banker's Committee, Union Bank of India, FGM
Office, 2nd Floor, Andhra Bank Building, R.R. Appa Rao Street, Vijayawada.
The General Manager, Small Industry Development Bank of India, (SIDBI),
Vijayawada.
The Pay and Accounts Officer, Mangalagiri.
The Director of Treasuries and Accounts, Mangalagiri.
All District Collectors through the Commissioner of Industries, Mangalagiri.
All Heads of Departments through the Commissioner of Industries, Mangalagiri.
All Govt. Companies/Corporations through the Commissioner of Industries,
Mangalagiri.
The PS to Spl. Chief Secretary to Chief Minister.
The P.S. to Chief Secretary to Government.
P.S. to the Hon'ble Minister for Ind. & Com.
All Private Secretaries to the Ministers.
P.S. to the Secretary to Government, Industries & Commerce Department.
All District Industries Offices, District Industries Centers through Commissioner
of Industries, Mangalagiri.

SC/SF

//Forwarded :: by order//

S. Swarnalatha
SECTION OFFICER

AMENDMENTS IN IDP 2023-27 OPERATIONAL GUIDELINES (GENERAL/BC/ MINORITY ENTREPRENEURS), VIDE G.O.MS NO.68, IND. AND COM (P&I) DEPTT., DATED 24-07-2023 :

Para No.	For	Amendment
3.22.1	A BC Enterprise has been defined as the enterprise promoted by Backward Class community entrepreneurs as sole Proprietor or with 100% shareholding in Partnership / Private Limited Companies. BC entrepreneur refers to a person hailing from Andhra Pradesh and belonging to BC Category as notified by the Government of Andhra Pradesh from time to time.	BC Enterprise has been defined as the enterprise promoted by Backward Class community entrepreneurs as sole Proprietor or with 100% shareholding in Partnership / Private Limited Companies. BC entrepreneur refers to a person hailing from Andhra Pradesh and belonging to BC Category as notified by the Government of Andhra Pradesh from time to time.
4.7.6.	Reimbursement of Electricity Duty will be allowed in case of expansion/diversification projects over and above base power consumed. For the purpose of reimbursement, half yearly power consumption will be considered. The reimbursement will be computed for every 1st & 2nd half years, But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification shall be treated as Nil.	Reimbursement of Electricity Duty will be allowed in case of expansion/diversification projects over and above base power consumed. For the purpose of reimbursement, half yearly power consumption will be considered. The reimbursement will be computed for every 1st & 2nd half years, But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification shall be treated as Nil.
5.3.7.	The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalised Banks pertaining to disposed off Enterprise/Industry will be considered, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes. Only depreciated value of such plant,	The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalised Banks pertaining to disposed off Enterprise/Industry will be considered, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes. Only depreciated value of such plant, machinery and equipment, as certified by C.A/Chartered Mechanical Engineer subject to such machinery having a minimum residual life as mentioned in para

	machinery and equipment, as certified by C.A/Chartered mechanical Engineer subject to such machinery having a minimum residual life of further six (6) years for MSMEs and six (6) years for Large, Mega and Ultra-Mega Projects certified by a Chartered mechanical Engineer, will be taken into account for computing towards eligible Fixed Capital Investment.	No.5.3.4(i).
6.2.	All eligible MSMEs and Large, Mega & Ultra-Mega projects should furnish a registered lease deed for a minimum six (6) years production period from the DCP, if the project is established in a leased property.	All eligible Industries should furnish a registered lease deed for MSMEs & Large Industries minimum six (6) years production period from the DCP and minimum six(6) years or the period of special incentives projects production period from DCP, whichever is later, for Mega & Ultra-Mega Projects if the project is established in a leased property.
8.1.	Where an entity (Proprietary firm/Partnership firm, Company etc.), after having availed any incentive/concession as per this Policy, intends to change its constitution, management, name or style within the first six (6) years for MSMEs and six(6) years for Large, Mega and Ultra-Mega Industries from the DCP such an entity shall: i. Obtain NOC for the same from the financial institutions/Banks where from financial assistance if any has been availed. ii. Submit an affidavit about the management change and details of the new promoters and directors.	Where an entity (Proprietary firm/Partnership firm, Company etc.), after having availed any incentive/concession as per this Policy, intends to change its constitution, management, name or style within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries from the DCP such an entity shall: i. Obtain NOC for the same from the financial institutions/ Banks where from financial assistance if any has been availed ii. Submit an affidavit about the management change and details of the new promoters and directors

	iii. Produce certificate of incorporation from the Registrar of Companies/ Registrar of Firms/ other competent authority along with Memorandum of Association & Articles of Association in the case of a company and similar documents as applicable in the case of other concerns, immediately on change of constitution, change of name or style etc. iv. Submit any other relevant documents/ details as the DIEPC/SLC may deem as necessary.	iii. Produce certificate of incorporation from the Registrar of Companies/ Registrar of Firms/ other competent authority along with Memorandum of Association & Articles of Association in the case of a company and similar documents as applicable in the case of other concerns, immediately on change of constitution, change of name or style etc. iv. Submit any other relevant documents/ details as the DIEPC/SLC may deem as necessary.
10.1.	In case the Industrial Enterprise that has availed incentive/concession and its management is not able to run the Enterprise/Industry and intends to lease out the assets/ facilities to another management within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries from the DCP, such an enterprise shall obtain NOC from the financing institutions concerned in respect of aided Enterprise/Industry and thereafter seek approval of DIEPC/SLC. All enterprises which have availed incentive/concession under this Policy shall be required to seek the prior approval of DIEPC (for Micro Enterprises)/SLC (for others) for leasing out its the facilities.	In case the Industrial Enterprise that has availed incentive/concession and its management is not able to run the Enterprise/Industry and intends to lease out the assets/ facilities to another management within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries from the DCP, such an enterprise shall obtain NOC from the financing institutions concerned in respect of aided Enterprise/Industry and thereafter seek approval of DIEPC/SLC. All enterprises which have availed incentive/concession under this Policy shall be required to seek the prior approval of DIEPC (for Micro Enterprises)/SLC (for others) for leasing out its the facilities.
14.1.	The Industrial Enterprises availing incentives should be in continuous production for a minimum period of six (6) years for MSMEs and Large Industries	The Industrial Enterprises availing incentives should be in continuous production for a minimum period of six (6) years for MSMEs and Large Industries and six (6) years or the period of special incentives projects, whichever

	and 6 years of the period of special incentives whichever is later in respect of Mega and Ultra-Mega Projects from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.	is later, for Mega and Ultra-Mega Projects from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.
15.17	Inspection Procedure: The concerned inspecting officers shall inspect the units once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium Enterprise/ Large/ Mega/ Ultra-Mega Projects. The annual reports and annual performance reports as mentioned in Paragraph No. 22 shall be obtained from the entrepreneur during the inspection, if not uploaded in the prescribed format and the same shall be uploaded in the portal. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit again physically. These annual reports and annual performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any. An inspection report shall be filled online to access the performance of the unit and facilitate them to improve their performance.	Inspection Procedure: The concerned inspecting officers shall inspect the units once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium Enterprise/ Large/ Mega/ Ultra-Mega Projects. The annual reports and annual performance reports as mentioned in Paragraph No. 21.1. Shall be obtained from the entrepreneur during the inspection, if not uploaded in the prescribed format and the same shall be uploaded in the portal. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit again physically. These annual reports and annual performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any. An inspection report shall be filled online to access the performance of the unit and facilitate them to improve their performance.
16.1.1.	The State Level Scrutiny and Verification Committee shall comprise of the following	The State Level Scrutiny and Verification Committee shall comprise of the following members:

members:

Sl. No	Committee Members	Role	Sl. No	Committee Members	Role
1	Additional Director	Chairman	1	Additional Director	Chairman
2	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member	2	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member
3	Nominee of The Chief Commissioner of State Tax, Commercial Taxes Department.	Member	3	Nominee of The Chief Commissioner of State Tax, Commercial Taxes Department.	Member
4	Nominee from SLBC	Member	4	Nominee from SLBC	Member
5	General Manager, A.P. State Financial Corporation, or his nominee.	Member	5	General Manager, A.P. State Financial Corporation, or his nominee.	Member
6	Nominee of Managing Director, A.P. Industrial Infrastructure	Member	6	Nominee of Managing Director, A.P. Industrial Infrastructure Corporation	Member
			7	Nominee from CMD, AP TRANSCO	Member
			8	Nominee from CMD, APEPDCL, Visakhapatnam	Member

	Corporation			9	Nominee from CMD, APCPDCL, Vijayawada	Member
7	Nominee from CMD, TRANSCO	AP	Member	10	Nominee from CMD, APSPDCL, Tirupati	Member
8	Nominee from CMD, APEPDCL, Visakhapatnam		Member	11	Representative of any Department of State Government/Organisations/Financial Institutions as Special Invitee whenever necessary.	Member
9	Nominee from CMD, APCPDCL, Vijayawada		Member	12	Joint Director- Incentives	Member-Convener
10	Nominee from CMD, APSPDCL, Tirupati		Member			
11	Joint Director-Incentives		Member-Convener			
16.2.1	The District Level Scrutiny and Verification Committee shall comprise of the following members:			The District Level Scrutiny and Verification Committee shall comprise of the following members:		
	Sl. No	Committee Members	Role	Sl. No	Committee Members	Role
	1	General Manager/District Industries Officer, District Industries	Chairman	1	General Manager/District Industries Officer, District Industries Centre	Chairman

	Centre		2	Manager, A.P. State Financial Corporation of concerned District	Member
2	Manager, A.P. State Financial Corporation of concerned District	Member	3	Zonal Manager, A.P. Industrial Infrastructure Corporation concerned District or his nominee	Member
3	Zonal Manager, A.P. Industrial Infrastructure Corporation concerned District or his nominee	Member	4	District Registration & Stamps, Revenue Department or his nominee	Member
			5	Representative from DISCOM concerned	Member
4	District Registration & Stamps, Revenue Department or his nominee	Member	6	Assistant Commissioner(ST), State Taxes Dept. or his nominee	Member
5	Representative from DISCOM concerned	Member	7	Lead District Manager or his nominee	Member
6	Assistant Commissioner(ST), State Taxes Dept. or his nominee	Member	8	Representative of any Department of State Government/Organisations/Financial Institutions as Special Invitee whenever necessary.	Member
7	Lead District Manager or his nominee	Member	9	Deputy Director/Assistant Director of Industries concerned	Member-Convener
8	Deputy Director/Assistant	Member-Convener			

	Director Industries concerned	of	
18.6.	The sanctioned industrial incentives should be released after satisfying the designated inspecting officer on physical verification of the enterprise that the enterprise working continuously, the assets are intact and there is no change in management, no change of finance institution.		
20.1. (ii)	If the industrial enterprise goes out of production within six (6) years for MSMEs and six (6) years for Large, Mega and Ultra-Mega Projects (i.e., continuous production period) from the DCP. However, in cases where the Enterprise remains out of production for a period up to 36 months due to reasons beyond its control such as shortage of raw-materials or power, change of management, recession in the market, fire accidents,		
	The sanctioned industrial incentives should be released after satisfying the designated inspecting officer on physical verification of the enterprise that the enterprise working continuously, the assets are intact and there is no change in management, no change of finance institution. However, if the unit was in continuous production for minimum period of six(6) years for MSME & Large Industries and six(6) years or period of special incentives projects, whichever is later, for Mega and Ultra-Mega Projects from DCP and the amount pending to be released even after such period, that amount should be released without insisting working status.		
	If the industrial enterprise goes out of production within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries (i.e. continuous production period) from the DCP . However, in cases where the Enterprise remains out of production for a period up to 36 months due to reasons beyond its control such as shortage of raw-materials or power, change of management, recession in the market, fire accidents, natural calamities etc., and if such breakage in production has been condoned by the DIEPC/SLC exemptions from recovery/ penalty shall be granted for the corresponding period.		

natural calamities etc., and if such breakage in production has been condoned by the DIEPC/SLC exemptions from recovery/ penalty shall be granted for the corresponding period.	
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AMENDMENT IN ANNEXURES

ANNEXURE	For	Amendment
ANNEXURE-I	LIST OF INELIGIBLE MANUFACTURING ACTIVITIES	
S.NO.25	Steel Structural and fabrication works other than the Heavy Structural Fabrications given in Para 5.3.8.	Steel Structural and fabrication works other than the Heavy Structural Fabrications using 5 ton capacity crane.
ANNEXURE-II	INDUSTRY RELATED SERVICE SECTOR	
1	Industrial / Material testing laboratories / Technical testing and analysis, Hall Marking Centres.	Industrial / Material testing laboratories / Technical testing and analysis, Hall Marking Centres with a minimum employment of 10.
2	Iron Scrap/Plastic/Paper/Hay etc. Baling presses.	Iron Scrap/Plastic/Paper/Hay etc. Baling presses with a minimum employment of 10.
3	Auto servicing and /or repairing units, engineering machining workshops, Common effluent treatment plants.	Auto servicing and /or repairing units, engineering machining workshops, Common effluent treatment plants with a minimum employment of 10.
4	Packaging activity	Packaging activity with more than Rs.10 lakhs on equipment with a minimum employment of 10.
5	General Engineering and Fabrication works.	General Engineering and Fabrication works with a minimum employment of 10.
6	Refilling of Medical oxygen and/ or its container	Refilling of Medical Oxygen and/ or its container with a minimum employment of 7.
7	Transportation & Logistic Management Services including Cold Chain Logistic Services	Transportation (related to Logistics i.e. Reefer Van , Material Handling Equipment within Warehouse used) & Logistic Management Services including Cold Chain Logistic

		Services. Such proposed proposals of the entrepreneur shall be placed in SLC to accord eligibility.
8	Industry Related Environmental Services including Hazardous and other Waste Disposal/Management	Industry Related Environmental Services including Hazardous and other Waste Disposal/Management. Such proposed proposals of the entrepreneur shall be placed in SLC to accord eligibility.
9	Industrial Staff/Workers' Accommodation Facilities	Industrial Staff/Workers' Accommodation Facilities. Such proposed proposals of the entrepreneur shall be placed in SLC to accord eligibility.
ANNEXURE-III COMMON APPLICATION FORM FOR SANCTION OF INCENTIVES		
8.	Status of Enterprise: New/Expansion/Diversification	Status of Enterprise: New/Expansion
11.	Financing of Enterprise: Bank and NBFC/Self-financed	Financing of Enterprise: Bank / Self-financed
11.1.	Up loads: A. Banks & NFC	Up loads: A. Banks
11.2	Details of Financial Institution and Loan amounts (Only for Banks & NBFCs)	Details of Financial Institution and Loan amounts (Only for Banks)
11.3	Project Cost, Loan Sanctions and Release, Assets Acquired (in Lakhs) (Only for Banks & NBFCs)	Project Cost, Loan Sanctions and Release, Assets Acquired (in Lakhs) (Only for Banks)

B) AMENDMENTS IN YSR JAGANANNA BADUGU VIKASAM UNDER IDP 2023-27 OPERATIONAL GUIDELINES (SC/ST ENTREPRENEURS), VIDE G.O.MS NO.68, IND. & COM. (P&I) DEPTT., DATED 24-07-2023 :

Para No.	For	Amendment
2.2	The Incentive Schemes as per APIDP 2023-27 (hereinafter called the Scheme) will be applicable throughout the State of Andhra Pradesh. The Policy shall not be applicable in CRDA and the Municipal Corporation limits of Vijayawada, Greater Visakhapatnam, and all other Municipal Corporations except IDA/IP/IE/MSME Parks etc., located therein. However, permissible service activities as listed in the Policy (Please see Annexure-II) set up across the State including CRDA and all Municipal Corporation limits will be eligible for investment subsidy. No other Service activities set up anywhere in the state shall be eligible for incentives under the scheme.	The Incentive Schemes as per APIDP 2023-27 (hereinafter called the Scheme) will be applicable throughout the State of Andhra Pradesh. The Policy shall not be applicable in CRDA and the Municipal Corporation limits of Vijayawada, Greater Visakhapatnam, and all other Municipal Corporations except IDA/IP/IE/MSME Parks etc., located therein. However, the service activities set up across the State including CRDA and all Municipal Corporation limits will be eligible under "YSR Jagananna Badugu Vikasam" scheme.
3.2.1	Eligible Enterprise means any Industrial Undertaking , other than those run departmentally by Government of India/State Government or having equity of State Government/Government of India and included those listed in ANNEXURE-I	Eligible Enterprise means any Industrial Undertaking, other than those run departmentally by Government of India/State Government or having equity of State Government/Government of India and included those listed in ANNEXURE-I, ANNEXURE-II and ANNEXURE-III.
3.10.3.	Fixed Assets considered for computing the fixed capital investment, include land, civil works, plant & machinery and equipment as per the approved project cost. The project cost will also include cost of machinery/equipment installed within 6 months from DCP in	Fixed Assets considered for computing the fixed capital investment, include land, civil works, plant & machinery and equipment as per the approved project cost. The project cost will also include cost of machinery/equipment installed within 6 months from DCP in case of units assisted by Financial Institutions (this supersedes the stipulations regarding eligible investment period as given under paragraph

	case of units assisted by Financial Institutions (this supersedes the stipulations regarding eligible investment period as given under paragraph 3.8.1 and applies only in respect of those cases where financial institutions have sanctioned term loan and disbursed certain portion of the loan after the DCP and such disbursements have been used for civil works and purchase of the eligible machinery/equipment).	3.8.2 and applies only in respect of those cases where financial institutions have sanctioned term loan and disbursed certain portion of the loan after the DCP and such disbursements have been used for civil works and purchase of the eligible machinery/equipment).
3.12.3	Existing industrial units, setting up expansion project in products other than those listed in Annexure-1 involving enhancement of Eligible fixed capital investment by at least 50% over and above the original unit, as well as enhancement of capacity by 50% for the products of the same product-line, will be eligible for incentives.	Existing industrial units, setting up expansion project in products involving enhancement of Eligible fixed capital investment by at least 50% over and above the original unit, as well as enhancement of capacity by 50% for the products of the same product-line, will be eligible for incentives.
3.13.1	Diversification projects mean brownfield (existing) projects: Existing Industrial units, making Investment for a new product other than those listed in Annexure-1 involving Diversification, would mean additional eligible fixed capital investment to the extent of 50% or more of the non-depreciated value of fixed capital investment just before taking up this diversification in this unit leading to increase in turnover by 50%, over the highest turnover achieved during past three years immediately before taking up this diversification. Diversification must result in production of at least one additional product.	Diversification projects mean brownfield (existing) projects: Existing Industrial units, making Investment for a new product involving Diversification, would mean additional eligible fixed capital investment to the extent of 50% or more of the non-depreciated value of fixed capital investment just before taking up this diversification in this unit leading to increase in turnover by 50%, over the highest turnover achieved during past three years immediately before taking up this diversification. Diversification must result in production of at least one additional product.
3.17.1	Continuous production period	Continuous production period means the

	means the minimum period an enterprise is required to function continuously after DCP/DCO for availing incentives under this policy. The minimum period for different categories of enterprises:	minimum period an enterprise is required to function continuously after DCP/DCO for availing incentives under this policy. The minimum period for different categories of enterprises: i. Six (6) years for Micro, Small, Medium (MSME) & Large Enterprises ii) Six(6) years or the period of special incentives Projects, whichever is later, for Mega and Ultra-Mega Projects.
4.1.7	All enterprises must fill Common Application Form (ANNEXURE-III) and file other corresponding forms and certificates as applicable.	All enterprises must fill Common Application Form (ANNEXURE-IV) and file other corresponding forms and certificates as applicable.
4.1.9	All BC/Minority/Women Entrepreneurs will have to clearly specify the category they are applying for industrial approvals and claiming incentives clearly on the Single desk portal (SDP)/ online incentive portal (www.apindustries.gov.in), along with the necessary documentation as required.	All SC/ST Entrepreneurs will have to clearly specify the category they are applying for industrial approvals and claiming incentives clearly on the Single desk portal (SDP)/ online incentive portal (www.apindustries.gov.in), along with the necessary documentation as required.
4.8.7	Reimbursement of Electricity Duty will be allowed in case of expansion/diversification projects over and above base power consumed. For the purpose of reimbursement, half yearly power consumption will be considered. The reimbursement will be made every six(6) months. But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of	Reimbursement of Electricity Duty and Power Cost Reimbursement will be allowed in case of expansion/diversification projects over and above base power consumed. For the purpose of reimbursement, half yearly power consumption will be considered. The reimbursement will be computed for every 1 st & 2 nd half years , But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification shall be treated as Nil.

	expansion/diversification shall be treated as Nil.	
5.3.7.	The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalised Banks pertaining to disposed off Enterprise/Industry will be considered, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes. Only depreciated value of such plant, machinery and equipment, as certified by C.A/Chartered mechanical Engineer subject to such machinery having a minimum residual life as mentioned in para No.5.3.4(i).	The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalised Banks pertaining to disposed off Enterprise/Industry will be considered, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes. Only depreciated value of such plant, machinery and equipment, as certified by C.A/Chartered mechanical Engineer subject to such machinery having a minimum residual life as mentioned in para No.5.3.4(i).
5.5.	ITEMS NOT COMPUTABLE TOWARDS FIXED CAPITAL INVESTMENT: i. Working capital, raw material, stores and all consumables including spare tools, etc. ii. Pre-operative expenses, advances, expenditure not supported by payment of bills wherever necessary. iii. Investment made outside the approved project cost and items not covered by approved project.	ITEMS NOT COMPUTABLE TOWARDS FIXED CAPITAL INVESTMENT: i. Working capital, raw material, stores and all consumables including spare tools, etc. ii. Pre-operative expenses, advances, expenditure not supported by payment of bills wherever necessary. iii. Investment made outside the approved project cost and items not covered by approved project. iv. Fixed assets created after the DCP and payment made after DCP, such value. [However, (i) in the case of Aided Enterprises, fixed assets not related to core-production

	iv. Fixed assets created after the DCP and payment made after DCP, such value. [However, (i) in the case of Aided Enterprises, fixed assets not related to core-production like packing equipment created within 6 months after DCP based on Term Loan sanctioned prior to DCP but disbursed after DCP will be considered. (ii) in the case of self-financed Enterprises, fixed assets not related to core-production, created within 6 months after DCP will be considered, if payment for the same was made before DCP]. v. Diesel Generator is not allowed for computing eligible Fixed Capital Investment. vi. Transformer cost is not allowed for computing eligible Fixed Capital Investment.	like packing equipment created within 6 months after DCP based on Term Loan sanctioned prior to DCP but disbursed after DCP will be considered. (ii) in the case of self-financed Enterprises, fixed assets not related to core-production, created within 6 months after DCP will be considered, if payment for the same was made before DCP].
6.2.	All eligible MSMEs and Large, Mega & Ultra-Mega projects should furnish a registered lease deed for a minimum six (6) years production period from the DCP, if the project is established in a leased property.	All eligible Industries should furnish a registered lease deed for MSMEs & Large Industries minimum six (6) years production period from the DCP and minimum six(6) years or the period of special incentives projects production period from DCP, whichever is later, for Mega & Ultra-Mega Projects if the project is established in a leased property.
8.1.	Where an entity (Proprietary firm/Partnership firm, Company etc.), after having availed any incentive/concession as per this Policy, intends to change its constitution, management, name or style within the first six (6) years for MSMEs and six (6) years for Large, Mega and Ultra-	Where an entity (Proprietary firm/Partnership firm, Company etc.), after having availed any incentive/concession as per this Policy, intends to change its constitution, management, name or style within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries from the DCP such an entity shall:

	Mega Industries from the DCP such an entity shall: i. Obtain NOC for the same from the financial institutions/ Banks where from financial assistance if any has been availed ii. Submit an affidavit about the management change and details of the new promoters and directors iii. Produce certificate of incorporation from the Registrar of Companies/ Registrar of Firms/ other competent authority along with Memorandum of Association & Articles of Association in the case of a company and similar documents as applicable in the case of other concerns, immediately on change of constitution, change of name or style etc. iv. Submit any other relevant documents/ details as the DIEPC/SLC may deem as necessary.	i. Obtain NOC for the same from the financial institutions/ Banks where from financial assistance if any has been availed ii. Submit an affidavit about the management change and details of the new promoters and directors iii. Produce certificate of incorporation from the Registrar of Companies/ Registrar of Firms/ other competent authority along with Memorandum of Association & Articles of Association in the case of a company and similar documents as applicable in the case of other concerns, immediately on change of constitution, change of name or style etc. iv. Submit any other relevant documents/ details as the DIEPC/SLC may deem as necessary.
10.1.	In case the Industrial Enterprise that has availed incentive/concession and its management is not able to run the Enterprise/Industry and intends to lease out the assets/ facilities to another management within the first six (6) years for MSMEs and six (6) years for Large, Mega and Ultra-Mega Industries from the DCP, such an enterprise shall obtain NOC from the financing institutions concerned in respect of aided enterprises which have availed incentive/	In case the Industrial Enterprise that has availed incentive/concession and its management is not able to run the Enterprise/Industry and intends to lease out the assets/ facilities to another management within the first six (6) years for MSMEs and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries from the DCP, such an enterprise shall obtain NOC from the financing institutions concerned in respect of aided Enterprise/Industry and thereafter seek approval of DIEPC/SLC. All enterprises which have availed incentive/

	Enterprise/Industry and thereafter seek approval of DIEPC/SLC. All enterprises which have availed incentive/concession under this Policy shall be required to seek the prior approval of DIEPC (for Micro Enterprises)/SLC (for others) for leasing out its the facilities.	concession under this Policy shall be required to seek the prior approval of DIEPC (for Micro Enterprises)/SLC (for others) for leasing out its the facilities.
14.1.	The Industrial Enterprises availing incentives should be in continuous production for a minimum period of six (6) years for MSMEs and Large Industries and 6 years of the period of special incentives whichever is later in respect of Mega and Ultra-Mega Projects from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.	The Industrial Enterprises availing incentives should be in continuous production for a minimum period of six (6) years for MSMEs and Large Industries and six (6) years or the period of special incentives projects, whichever is later, for Mega and Ultra-Mega Projects from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.
15.17	Inspection Procedure: The concerned inspecting officers shall inspect the units once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium Enterprise/ Large/ Mega/ Ultra-Mega Projects. The annual reports and annual performance reports as mentioned in Paragraph No. 22 shall be obtained from the entrepreneur during the inspection, if not uploaded in the prescribed format and the same shall be uploaded in the portal. The claims	Inspection Procedure: The concerned inspecting officers shall inspect the units once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium Enterprise/ Large/ Mega/ Ultra-Mega Projects. The annual reports and annual performance reports as mentioned in Paragraph No. 21.1 shall be obtained from the entrepreneur during the inspection, if not uploaded in the prescribed format and the same shall be uploaded in the portal. The claims
16.1.1.	The State Level Scrutiny and Verification Committee shall	The State Level Scrutiny and Verification Committee shall comprise of the following

comprise of the following members:

Sl. No	Committee Members	Role	Sl. No	Committee Members	Role
1	Additional Director	Chairman	1	Additional Director	Chairman
2	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member	2	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member
3	Nominee of The Chief Commissioner of State Tax, Commercial Taxes Department.	Member	3	Nominee of The Chief Commissioner of State Tax, Commercial Taxes Department.	Member
4	Nominee from SLBC	Member	4	Nominee from SLBC	Member
5	General Manager, A.P. State Financial Corporation, or his nominee.	Member	5	General Manager, A.P. State Financial Corporation, or his nominee.	Member
6	Nominee of Managing Director, A.P. Industrial Infrastructure Corporation	Member	6	Nominee of Managing Director, A.P. Industrial Infrastructure Corporation	Member
7	Nominee from CMD, AP TRANSCO	Member	7	Nominee from CMD, AP TRANSCO	Member
			8	Nominee from CMD, APEPDCL, Visakhapatnam	Member
			9	Nominee from CMD, APCPDCL,	Member

8	Nominee from CMD, APEPDCL, Visakhapatnam	Member	Vijayawada		
	Nominee from CMD, APCPDCL, Vijayawada	Member	10	Nominee from CMD, APSPDCL, Tirupati	Member
	Nominee from CMD, APSPDCL, Tirupati	Member	11	Representative of any Department of State Government/Organisations/Financial Institutions as Special Invitee whenever necessary.	Member
	Joint Director- Incentives	Member- Convener	12	Joint Director- Incentives	Member- Convener
16.2.1			The District Level Scrutiny and Verification Committee shall comprise of the following members:		
Sl. No	Committee Members	Role	Sl. No	Committee Members	Role
1	General Manager/District Industries Officer, District Industries Centre	Chairman	1	General Manager/District Industries Officer, District Industries Centre	Chairman
2	Manager, A.P.State Financial Corporation of concerned District	Member	2	Manager, A.P.State Financial Corporation of concerned District	Member
3	Zonal Manager, A.P.Industrial Infrastructure Corporation concerned District	Member	3	Zonal Manager, A.P.Industrial Infrastructure Corporation concerned District or his nominee	Member

	or his nominee		4	District Registration & Stamps, Revenue Department or his nominee	Member
4	District Registration & Stamps, Revenue Department or his nominee	Member			
5	Representative from DISCOM concerned	Member	5	Representative from DISCOM concerned	Member
6	Assistant Commissioner(ST), State Taxes Dept. or his nominee	Member	6	Assistant Commissioner(ST), State Taxes Dept. or his nominee	Member
7	Lead District Manager or his nominee	Member	7	Lead District Manager or his nominee	Member
8	Deputy Director/ Assistant Director of Industries concerned	Member-Convener	8	Representative of any Department of State Government/Organisations/Financial Institutions as Special Invitee whenever necessary.	Member
			9	Deputy Director/Assistant Director of Industries concerned	Member-Convener
18.6.	The sanctioned industrial incentives should be released after satisfying the designated inspecting officer on physical verification of the enterprise that the enterprise working continuously, the assets are intact and there is no change in management, no change of finance institution.		The sanctioned industrial incentives should be released after satisfying the designated inspecting officer on physical verification of the enterprise that the enterprise working continuously, the assets are intact and there is no change in management, no change of finance institution. However, if the unit was in continuous production for minimum period of six(6) years for MSME & Large Industries and six(6) years or period of special incentives projects, whichever is later, for Mega and Ultra-Mega Projects from DCP and the amount pending to be released even after such period, that amount should be released without insisting working status.		

20.1. (ii)	If the industrial enterprise goes out of production within six (6) years for MSMEs and six (6) years for Large, Mega and Ultra-Mega Projects (i.e., continuous production period) from the DCP. However, in cases where the Enterprise remains out of production for a period up to 36 months due to reasons beyond its control such as shortage of raw-materials or power, change of management, recession in the market, fire accidents, natural calamities etc., and if such breakage in production has been condoned by the DIEPC/SLC exemptions from recovery/ penalty shall be granted for the corresponding period.	If the industrial enterprise goes out of production within the first six (6) years for MSMEs and Large Industries and six (6) years or the period of Special incentives projects, whichever is later, for Mega and Ultra-Mega Industries (i.e. continuous production period) from the DCP . However, in cases where the Enterprise remains out of production for a period up to 36 months due to reasons beyond its control such as shortage of raw-materials or power, change of management, recession in the market, fire accidents, natural calamities etc., and if such breakage in production has been condoned by the DIEPC/SLC exemptions from recovery/ penalty shall be granted for the corresponding period.
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AMENDMENT IN ANNEXURES

ANNEXURE	For	Amendment
ANNEXURE-I	LIST OF ELIGIBLE ACTIVITIES EXCLUSIVELY FOR SC/ST ENTREPRENEURS	
S.NO.23	Servicing and /or repairing units activities, Cold storage & Seed processing units and Industry related service activities listed in section-III services sector 7.1.2. as mentioned in G.O.Ms No.22 dated 19.03.2023/ ANNEXURE-II of Operational Guidelines	Servicing and /or repairing units activities, Warehouses, Cold storage & Seed processing units and Industry related service activities listed in section-III services sector 7.1.2. as mentioned in G.O.Ms No.22

		dated 19.03.2023/ ANNEXURE-II of Operational Guidelines
S.NO.27	Steel Structural and fabrication works such as the Heavy Structural Fabrications given in Para 5.3.8	Steel Structural and fabrication works such as the Heavy Structural Fabrications.
ANNEXURE-II	INDUSTRY RELATED SERVICE SECTOR	
1	Industrial / Material testing laboratories / Technical testing and analysis, Hall Marking Centres	Industrial / Material testing laboratories / Technical testing and analysis, Hall Marking Centres with a minimum employment of 10.
2	Iron Scrap/Plastic/Paper/Hay etc. Baling presses	Iron Scrap/Plastic/Paper/Hay etc. Baling presses with a minimum employment of 10.
3	Auto servicing and /or repairing units, engineering machining workshops, Common effluent treatment plants	Auto servicing and /or repairing units, engineering machining workshops, Common effluent treatment plants with a minimum employment of 10.
4	Packaging activity	Packaging activity with more than Rs.10 lakhs on equipment with a minimum employment of 10.
5	General Engineering and Fabrication works	General Engineering and Fabrication works with a minimum employment of 10.
6	Refilling of Medical oxygen and/ or its container	Refilling of Medical Oxygen and/ or its container with a minimum employment of 7.
7	Transportation & Logistic Management Services including Cold Chain Logistic Services	Transportation (related to Logistics i.e. Reefer Van, Material Handling Equipment within Warehouse used) & Logistic Management Services including Cold Chain Logistic Services. Such proposed proposals of the entrepreneur shall be placed in SLC to accord eligibility.
8	Industry Related Environmental Services including Hazardous and other Waste Disposal/Management	Industry Related Environmental Services including Hazardous and other Waste Disposal/ Management. Such proposed proposals of the entrepreneur

		shall be placed in SLC to accord eligibility.
9	Industrial Staff/Workers' Accommodation Facilities	Industrial Staff/Workers' Accommodation Facilities. Such proposed proposals of the entrepreneur shall be placed in SLC to accord eligibility.
ANNEXURE-III DESCRIPTION FOR LINE OF ACTIVITIES		
S.No.10. Activity: Providing medical, health or other allied services	The Fixed Capital Investment involved in the land, building and Hospital equipment is eligible.	a) The Fixed Capital Investment involved in the land, building and Hospital equipment is eligible. b) Line of activities like Aerobics, personal training and Zumba under health and medical services activities are eligible for subsidy.
S.No.14. Activity: Development, maintenance and construction of roads	The Fixed Capital Investment involved in the equipment used for laying the Road is eligible i.e Road rollers, Pavers etc. The equipment financed by scheduled commercial banks only is eligible. No second hand M/c is eligible.	The Fixed Capital Investment involved in the equipment used for laying the Road is eligible i.e Road rollers, Pavers etc. For sites Proclainer and its ancillaries, other earth moving vehicles are also eligible. The equipment financed by scheduled commercial banks only is eligible. No second hand M/c is eligible.
S.NO.15. Activity: Providing commercial complex facilities and community centres including conference halls and also service apartments	The Fixed Capital Investment involved in the land, building is eligible. The other essential facilities required for complexes are also eligible. Purchase of any single floor / viable part of the facility/commercial complex are also eligible. The facility created should be in the name of the entrepreneur or enterprise for a minimum period of six years. The service apartments fully furnished apartments available for long term stays.	The Fixed Capital Investment involved in the land, building is eligible. The other essential facilities required for complexes are also eligible. Purchase of any single floor / viable part of the facility/ Shops etc. in a commercial complex are also eligible. The facility created should be in the name of the entrepreneur or enterprise for a minimum period of six years. The service apartments fully

		furnished apartments available for long term stays.
ANNEXURE-IV	COMMON APPLICATION FORM FOR SANCTION OF INCENTIVES	
8.	Status of Enterprise: New/Expansion/Diversification/ Modernisation	Status of Enterprise: New/Expansion/Diversification
9.1	Expansion/Diversification/Modernisation	Expansion/Diversification
11.	Financing of Enterprise: Bank and NBFC/Self-financed	Financing of Enterprise: Bank / Self-financed
11.1.	Up loads: A. Banks & NFC	Up loads: A. Banks
11.2	Details of Financial Institution and Loan amounts (Only for Banks & NBFCs)	Details of Financial Institution and Loan amounts (Only for Banks)
11.3	Project Cost, Loan Sanctions and Release, Assets Acquired (in Lakhs) (Only for Banks & NBFCs)	Project Cost, Loan Sanctions and Release, Assets Acquired (in Lakhs) (Only for Banks)

N YUVARAJ
SECRETARY TO GOVERNMENT & CIP